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April 17, 1997

PUBLIC  
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COMMISSION

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REGINA KEENEY, CHIEF  
COMMON CARRIER BUREAU  
FEDERAL COMMUNICATIONS COMMISSION  
1919 M STREET NW, ROOM 500  
WASHINGTON DC 20554

Federal Communications Commission  
Office of Secretary

The FCC issued Order No. 96-388 on September 20, 1996, regarding Pay Telephone Reclassification and Compensation provisions of the Telecommunications Act of 1996. In that order at paragraph 186, the FCC required, pursuant to the mandate of Section 276(b)(1)(B), incumbent LECs to remove from their intrastate rates any charges that recover the costs of payphones. Revised intrastate rates must be effective no later than April 15, 1997.

I am writing this letter to apprise you of the status of the required filings as they relate to Oregon Incumbent Local Exchange Carriers (ILECs). I have attached a list of the companies indicating whether the required filing has been made and the effective dates of the filings.

On December 19, 1996, I sent a letter to the Oregon companies reminding them of the FCC order and requesting information regarding their schedule for filing. I will discuss those companies who have not filed to remove their costs.

1. Beaver Creek Cooperative responded to the December 19<sup>th</sup> letter stating that its pay phones would be fully depreciated and moved below the line as of December 31, 1996, and would not be filing revised access charge rates.
2. GTE-Northwest, Inc. had not responded to my letter as of April 4, 1997. When I contacted the company on April 4, I was told that an analysis was done of the intrastate costs, there was no impact on rates, and no filing would be done. Staff was not given workpapers or cost studies to review to verify this statement.

John A. Kitzhaber  
Governor



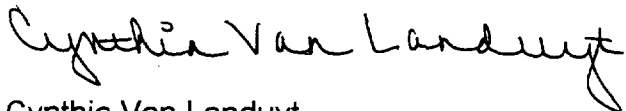
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550 Capitol St. NE  
Salem, OR 97310-1380  
(503) 378-5849

Regina Keeney  
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3. U S WEST Communications, Inc. (USWC) had not responded to my letter as of April 4, 1997. I contacted the company on April 4, and was told that USWC will not be filing revised rates because the company does not believe that its payphones are being subsidized through its intrastate access rates.
4. Malheur Telephone Company had not responded to my letter as of April 4, 1997. Malheur does have a current intrastate access charge filing under review. When I contacted the company I was told that Malheur will make an adjustment to its proposed access rates to remove the payphone equipment costs. The filing will be effective July 1, 1997.

If you have any questions regarding the information I have provided, please call me at the number listed below.



Cynthia Van Landuyt  
Program Manager, Revenue Requirement Section  
Telecommunications Division  
(503) 378-6638

Attachment

- c: Chairman Roger Hamilton, OPUC  
Commissioner Ron Eachus, OPUC  
Commissioner Joan H. Smith, OPUC  
Mike Kane, OPUC  
Pete Paris, OPUC

# Attachment

COMPANY	REVISED RATES FILED	EFFECTIVE DATE
Asotin Telephone Co.	Yes	February 1, 1997
Beaver Creek Cooperative	No	NA
Canby Telephone Assn.	Yes	February 1, 1997
Cascade Utilities, Inc.	Yes	February 1, 1997
Citizens Telecom	Yes	February 1, 1997
Clear Creek Mutual	Yes	February 1, 1997
Colton Telephone Co.	Yes	February 1, 1997
Eagle Telephone Systems	Yes	February 1, 1997
Gervais Telephone Co.	Yes	February 1, 1997
GTE-Northwest, Inc.	No	NA
Helix Telephone	Yes	February 1, 1997
Home Telephone Co.	Yes	February 1, 1997
Malheur Telephone co.	Yes, under review	July 1, 1997
Midvale Telephone	Yes	February 1, 1997
Molalla Telephone Co.	Yes	February 1, 1997
Monitor Cooperative	Yes	February 1, 1997
Monroe Telephone Co.	Yes	February 1, 1997
Mt. Angel Telephone Co.	Yes	February 1, 1997
Nehalem Telephone	Yes	February 1, 1997
North-State Telephone Co.	Yes	February 1, 1997
Oregon-Idaho Utilities	Yes	February 1, 1997
Oregon Telephone Corp.	Yes	February 1, 1997
Pacific Telecom, Inc.	Yes	February 1, 1997
People's Telephone Co.	Yes	February 1, 1997
Pine Telephone Systems	Yes	February 1, 1997
Pioneer Telephone	Yes	February 1, 1997
Roome Telecom	Yes	February 1, 1997
St. Paul Cooperative	Yes	February 1, 1997
Scio Mutual Telephone	Yes	February 1, 1997
Stayton Cooperative	Yes	February 1, 1997
TransCascades Telephone	Yes	February 1, 1997
United Telephone of NW	Yes	April 16, 1997
U S WEST Communications	No	NA